

FISCAL NOTE

HJR 21

January 25, 2001

SUMMARY OF BILL: Proposes to amend Article XI, Section 5, of the Constitution of Tennessee to permit the legislature to authorize a state lottery if the net proceeds of the lottery's revenues are allocated to provide financial assistance to Tennessee residents to attend post-secondary educational institutions in this state. The excess after such allocations from such net proceeds from the lottery would be appropriated to: (1) Capital outlay projects for K-12 educational facilities; and (2) Early learning programs and after school programs. This resolution requires that the foregoing amendment be submitted to the people for a vote at the 2002 November general election and directs the Secretary of State to place such amendment on the ballot for that election.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - \$20,000 One-Time

Each County Election Commission would be required to include in the notice, published by a newspaper of general circulation, the text of the question to be submitted to the people. This estimate is based on other recent election publications. For informational purposes, the following should be noted:

1. This amendment shall be submitted to the people at the 2002 November general election if adopted by a two-thirds majority of all the members of each house concurring.
2. The 101st General Assembly considered and passed HJR 2 which proposed an amendment to Article XI, Section 5, of the Constitution of Tennessee to allow for a state lottery if the net proceeds of the lottery are allocated to provide financial assistance to Tennessee residents to attend post-secondary educational institutions in this state.
3. Adoption of a lottery is estimated to generate a net increase in state revenues in excess of \$200,000,000. This estimate was made using per capita gross proceeds of surrounding states that have lotteries. Estimate assumes approximately 10% of gross proceeds will go for administration; 50% for prizes with the remaining 40% retained by the state. Percentages reflect prevailing rates experienced by states having lotteries.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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